

HUD's Income Verification Program

This fact sheet is a general guide to resident responsibilities and rights regarding income disclosure and verification. Since some of the requirements vary by locality and by housing subsidy program, residents should always consult their lease agreement or their PHA to determine the specific program requirements that apply. If necessary, please consult with an advocate who can advise you as to the best way to proceed.

What income is used to determine your rent?

The U.S. Department of Housing and Urban Development (HUD) is committed to providing affordable rental housing to families in need. The amount of rental assistance a family is entitled to receive is based on the total income of everyone in the household. All families must certify their income at least once a year. Some programs require residents to report changes in income more often.

The following table shows the most typical types of income that are included in the rent calculation, and those that are excluded. However, all income must be reported to your public housing agency. Check with your public housing agency for questions about other types of income not listed here.

Income used to calculate your rent	Income not used to calculate your rent
<ul style="list-style-type: none">• Wages and Self Employment Earnings• Social Security Benefits• Interest Income• Distributions from Pensions, Annuities, Retirement or Profit Sharing Plans• Dividends and Distributions from Investments• Unemployment Compensation	<ul style="list-style-type: none">• Payments received for the care of foster children• Wages of children under 18 living at home• Payments for student financial assistance• Payments received under certain training programs• Payments for adoption assistance• Temporary or sporadic income payments• The income of a Live-in Aid (not a family member)• Reimbursements for medical expenses• Lump-sum additions to family assets, such as inheritances or insurance settlements

You also are allowed deductions for minors, elderly or disabled persons who live in the household, as well as for childcare and certain medical expenses, when calculating the amount of rental assistance. In addition, if you participated in specific employment training programs, you may be entitled to exclude the increase in your rent under certain circumstances.

You also are allowed deductions when calculating the amount of rental assistance. The following are required deductions for public and assisted housing residents:

- \$480 for each dependent
- \$400 for each elderly or disabled family
- Disability expenses for a family member in excess of three percent (3%) of annual income
- An allowance for medical expenses for elderly or disabled families
- Childcare expenses

Also note that some public housing residents pay “ceiling rents” which cap the rent at market value, even if a resident’s income increases. However, all residents of public or assisted housing must report their income in accordance with their lease in order to determine eligibility for the rent subsidy.

If you have any questions about your income and rent requirements, you should speak with your PHA. You may also call a special toll-free number at HUD for specific questions: 1-888-825-3916.

If you receive a Discrepancy Letter, what does this mean?

It means that the records that your PHA has about your income are different than the records about your income at the Internal Revenue Service or the Social Security Administration. It also means that you must meet with your PHA to determine why your income records do not agree with the IRS and SSA records.

Residents who receive one of these letters and are able to verify that their income was correctly reported (including situations where the report was correct because some income was not required to be counted for purposes of establishing rent) will have no change in their rent or rental assistance.

What if there really is a discrepancy?

If you overstated your income, or your PHA is using an income figure for you that is too high, you may be entitled to a rent reduction. However, if your rent has been too low because you underreported your income, your rent may increase from this point forward. Your PHA may refer your case for enforcement if there is an indication that you fraudulently misreported your income. HUD recommends that PHAs refer such cases to the Department.

What should I do to prepare for my meeting with my PHA?

Gather your paperwork and records about your income for 1998, including this letter. Make sure you understand all the information in your lease and this Fact Sheet. If you still have questions, call HUD at 1-888-825-3916. You may bring a friend or advocate to your meeting to translate or provide advice. You also may request to review any information in your file at the PHA's office that affects the calculation of your rent.

What will happen when I go for my appointment?

You and your PHA will carefully review your income records and the amount of income that the IRS and Social Security Administration show that you earned in 1998. You will work with your PHA staff to resolve any discrepancy and adjust your rent, if necessary. As noted above, you may bring a friend or advocate to your meeting to translate or provide advice.

What if I have a grievance?

Residents have the right to contest actions that reduce, suspend or terminate their rental assistance, or require them to repay rental assistance they have already received. HUD will not require PHAs to make rental adjustments for prior years for underreported income that is identified through the Income Verification Program. If you feel a PHA has acted in error you may seek legal counsel or contact HUD for additional information about your rights and responsibilities under the Income Verification Program. There are several steps:

1) You May Settle the Problem Informally

You should try to resolve the problem by writing to or meeting with your PHA.

2) You Are Entitled to a Hearing (public housing residents only)

You may explain your grievance at a meeting with your housing agency. If you are not able to settle the grievance at this meeting, the housing agency will give you a written decision. If you contest that decision, you may request a formal grievance hearing. A hearing officer or panel appointed by the agency will conduct the hearing. If you do not request a hearing within a reasonable time, then the agency's decision will become final.

3) You May Ask for HUD Intervention

If you believe that you have been treated unfairly, you may call your local HUD Office Director or Program Center Coordinator for further clarification of your rights and responsibilities, and, if you desire, HUD will review the process and housing agency decision before any final action is taken.

4) You May Go to Court

If you still are not satisfied, you have the right to appeal the decision through state and/or local courts.